

SEP 28 1961

Approved For Release 2001/03/02 : CIA-RDP70-00

CPYRGHT

CIA Reins Are Handed To McCone

President Lauds Both Dulles and His Successor

By Edward T. Folliard
Staff Reporter

NEWPORT, R. I., Sept. 27—President Kennedy announced today that John McCone would take over as director of the beclouded Central Intelligence Agency in November.

McCone, 59, a California businessman, will succeed Allen Dulles, 68, who has headed the CIA for 10 years. Both are Republicans considered to be "above politics."

There has been talk of a shakeup in the big intelligence organization since April, when a force of refugees invaded Cuba and was shattered by Premier Fidel Castro's larger forces. The CIA organized the invasion in Florida and Guatemala and was sharply criticized for its failure, but in the end President Kennedy took full blame for the fiasco.

Mr. Kennedy made no mention of that unhappy business today. He had both McCone and Dulles at his side as he made his announcement from the stage of Pringle Hall at the United States Naval War College in Newport.

The Chief Executive praised McCone in a brief talk, but he praised the outgoing Dulles even more warmly. He emphasized, too, that Dulles had promised him after last November's election to stay on as CIA director for a year, and noted that the year will be up next month.

White House press secretary Pierre Salinger said Mr. Kennedy first talked to McCone about taking over CIA about 10 days or two weeks ago when McCone called at the White House. At the time, it was widely believed that the talk was about Russia's resumption of nuclear testing.

McCone and Dulles conferred with the President for three-quarters of an hour today at Hammersmith Farm, where Mr. Kennedy is vacationing with his family.

"The final decision to appoint Mr. McCone was made at the conference this morning," Salinger said.

In his eulogy of Dulles, Mr. Kennedy said:

"I know of no man who is a more courageous, selfless public servant than Mr. Allen Dulles, and I therefore, in expressing pleasure at having secured the services of Mr. McCone, want to express my profound regret that at the age of 68, after 10 years in this responsibility, that Mr. Dulles should be retiring. He has agreed to continue to serve as a consultant to me on intelligence matters, and therefore his long experience will be available to the people of this country."

President Kennedy, in praising McCone, noted that the California Republican had

served in the Truman Administration as Under Secretary of the Air Force and in the Eisenhower Administration as chairman of the Atomic Energy Commission.

"He has had broad experience," Mr. Kennedy said.

McCone, who will receive \$21,000 a year as director of the CIA, was born in San Francisco on Jan. 4, 1902. He attended Lowell High School there and in 1922 won a B.S. degree in engineering from the University of California.

McCone engaged in the steel business for 15 years. He formed his own engineering company in 1947 with S. D. Bechtel under the name of the Bechtel-McCone Corp. After World War II he engaged in the shipping business.

McCone is a director of the Standard Oil Co. of California, the Western Banking Corp., the Pacific Life Insurance Co. and the Trans-World Airways.

He is a regent of Loyola University of Los Angeles and the California Institute of Technology, and has received honorary degrees from the University of California, Notre Dame, Fordham, Clarkson and the Catholic University in Washington.

McCone and his wife, who

are childless, have a home in Washington at 2024 Whitehaven st. nw., and also a home in San Marino, Calif.

President Kennedy today made public two letters he had sent to Vice President Lyndon B. Johnson, thanking him for serving as his representative at the funeral of U. N. Secretary General Dag Hammarskjold, who died in a plane crash in Africa last week. The funeral will take place in Sweden on Friday.

Mr. Kennedy suggested to the Vice President that he stop off in Paris on his way back and confer with Gen. James Gavin, American Ambassador to France; Thomas K. Finletter, Ambassador to NATO, and Gen. Lauris Norstadt, "if he has not already left to come back here for direct discussions in Washington."

Press Secretary Salinger said that Adlai E. Stevenson, Ambassador to the United Nations, would accompany Vice President Johnson to the funeral for Hammarskjold. Also in the delegation, he said, would be Sen. Thomas H.

Kuchel (R-Calif.) and Henry Labouisse, head of the International Cooperation Administration.

Salinger told reporters that the President was awakened at 2:30 this morning by a telephone call from Rep. Carl Albert (D-Okla.), whip of the House of Representatives. Albert told the President that the House was about to adjourn, and asked if he had any last-minute business for it. Sen. Mike Mansfield, of Montana, Democratic leader of the Senate, made the same point of call to the President.